

STATE: MINNESOTA  
Effective: October 1, 1993  
TN: 93-07  
Approved: 10-12-93  
Supersedes: IM-92-19

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the necessary information, but never submitted it to the State. It was therefore impossible to grant those two facilities an adjustment to their payment rates for these costs. The two facilities were granted the adjustment for nursing coverage, however, since the amount of that adjustment was calculated by using cost report information.

A small number of the NF-IIs had been declared "institutions for mental diseases" (IMDs). Even though those facilities are certified to participate in Medicaid, payments for persons between the ages of 21 and 65 are made with state funds, not Medicaid funds. If an adjustment to the NF/IMDs' Medicaid payment rates was not cost-effective, then the facilities were not granted the rate adjustment. The cost analysis for these facilities focused on the percentages and numbers of residents over and under age 65, the estimated annual Medicaid payments to those facilities, the resulting cost increase to the State if Medicaid payments were not available, and the estimated cost increase to meet the OBRA 87 certification requirements.

The increase in state and county costs which would result from other-than-Medicaid funding of residents over age 65 if a facility chose to decertify from the Medicaid program was compared to the increase in state and county costs of the OBRA 87 rate adjustment if the facility remained certified. The combined state and county share of the OBRA 87 compliance increase was estimated to be more costly than the state and county payments for residents over age 65 in only two of the facilities. These two facilities have very few Medicaid recipients. The costs of care for most residents in those facilities are paid for through separate state funds. Therefore, these two facilities did not receive a rate adjustment to their Medicaid payment rate to meet the OBRA 87 mandates.

The cost estimates submitted by the individual facilities (subject to the legislative cap of \$300 per bed per year) were the basis for the increase they received. The State analyzed this data in detail. Some of the costs submitted were not related to OBRA, and some of the costs were already covered by the nursing adjustment. Most of the claimed costs were allowed, however, since the higher rates permitted the facilities to provide their residents a higher level of care, which is the primary intent of OBRA.

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C. Adjustment for other OBRA cost increases to NF-I and attached NF-IIs.

The cost estimates for NF-Is and attached NF-IIs detailed in the section above were covered by an average annual increase in the facility per diem of \$.30. This rate adjustment was provided to 427 nursing facilities. Since Minnesota has an Equalization Law, nursing facility rates for private pay residents also increased to the same level as Medicaid rates. The total industry increase to meet OBRA requirements was greater than just the increased Medicaid program expenditures.

The total cost of this rate increase, on an annual basis, for calendar year 1989 was approximately \$4,642,000. This amounted to an average facility increase of \$10,871.

The following expenses were anticipated to be the most likely to increase costs to NF-Is and attached NF-IIs as a result of complying with the OBRA requirements. As described above, these were the worst-case cost estimates:

Nurse aide training/competency evaluation	\$ 270,000
Nurse aide staffing during training	\$1,200,150
Resident assessments	\$1,024,800
Pharmaceutical review	\$ 854,000
Medical director	\$ 344,400
Social services	<u>\$ 157,000</u>
TOTAL	\$3,850,350

While there may have been other provisions resulting in cost increases for some of those nursing facilities, the above cost increase amounted to an increase in costs of approximately \$.25 per day per resident. An additional \$.05 per day was determined to be sufficient to cover the majority of any additional changes facilities may have needed to make.

**SUMMARY OF THE PUBLIC COMMENTS RECEIVED CONCERNING THE PROPOSED METHODOLOGY AND THE DATE UTILIZED FOR THE ADJUSTMENTS.**

The proposed methodology for the OBRA rate adjustments developed by the State was made available for discussion and public comment in January 1989, well in advance of implementation.

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Several meetings were held with provider organizations to review and discuss the methodology. Provider comments were considered during the finalization of the methodology.

All aspects of the rate adjustment determination process were dealt with by the state legislature. Public hearings were held in both the House of Representatives and the Senate.

The majority of the data utilized in the calculation of the adjustments came from public documents (the facility cost reports and/or cost estimates submitted by the facilities).

Notice of the proposed changes was published in the State Register in June 1989. No comments were received.

# MINNESOTA DEPARTMENTS OF HEALTH AND HUMAN SERVICES

## AN OVERVIEW OF CURRENT LICENSURE STANDARDS, PREVIOUS CERTIFICATION STANDARDS, AUGUST 1, 1989 REQUIREMENTS FOR PARTICIPATION AND OCTOBER 1, 1990 OBRA '87 REQUIREMENTS

NH	CARE LEVELS				SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION	OBRA AND NEW REGULATIONS
	BCH	SNF	ICF	NF				
X		X	X	X	ADMINISTRATION	Licensed nursing home administrator full time M.S. 144A.04 Subd. 5 MN Rules 4655.1200, subp. 2B; 4655.1300 subp. 2	Licensed nursing home administrator 405.1121(e) SNF 442.303 ICF	Licensed administrator 483.75(e)
						Person in charge full time MN Rules 4655.1200 Subp. B; 4655.1300 Subp. 1, 2, 3, 4		
						At least one responsible person, 18 years old, dressed, awake, on duty at all times MN Rules 4566.5100 Subp. 2		
X	X	X	X	X	MEDICAL DIRECTION/ DIRECTOR	Facility has agreement for emergency physician services and advice. MN Rules 4566.4600 Subp. 2	Part time or full time licensed physician 405.1122	Designated physician. 483.75(k) [Further regulations pending 1919(f)(5)]
X	X	X	X	X	DENTAL SERVICES	Residents provided with dental services appropriate to their needs. Written agreement for emergency dental care. MN Rules 4655.4800	Must have an advisory dentist for staff development program. Must have agreement with dentist to provide dental services. 405.1129	Must provide or obtain routine and emergency dental services to meet needs of each resident. 403.55

CARE LEVELS				SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION	OBRA AND NEW REGULATIONS
NH	BCH	SNF	ICF	NH			
X		X		X	NURSING STAFF		
					RN Director of Nursing 40 hrs/wk on day shift; RN or LPN for the other 16 hrs/wk on day shift; RN on call when no RN on duty. MN Rules 4655.0100 Subp. 8 D, E, F	SNF: 24 hr licensed nurse coverage; RN day shift, 7 days/wk. Licensed nurse in charge each shift, who is not the DON if facility has avg daily census of 60 or more. 405.1124	24 hr licensed nurse coverage. RN 8 hrs/day, 7 days/wk. RN DON/full time. [Waivers available.]  Facility must have sufficient nursing staff to provide nursing and related services to attain or maintain highest practicable physical, mental, and psychosocial well being of each resident, as determined by resident assessments and individual care plans. 483.30
					2.0 hrs nursing personnel/resident/24 hours MN Rules 4655.5600 Subp. 2	RN DON/full time 405.1124(a)(3)	
					0.95 hrs nursing services/ standardized resident day. M.S. 144A.04 Subd. 7(a)	ICF: Provide nursing care as needed. Responsible staff on duty and awake 24/hrs/day. 442.342	
						Either a full time RN or LPN 7 days/wk on day shift. If health service supv. is LPN, must have RN consultant at least 4 hrs/wk. 442.339	
X	X	X		X	Written agreement with physician for emergency and advisory care. MN Rules 4655.4600 Subp. 2	Emergency physician services available. 405.1123(c)	Provide for having a physician available for emergency medical care 24 hrs/day. 483.40(d)
X				X	Resident admitted only upon recommendation of physician. MN Rules 4655.4900 Subp. 2	Residents admitted only upon recommendation of physician and remain under the care of the physician. 405.1123	A physician must personally approve a rec that an individual be admitted. Each resident must remain under the care of a physician. Health care of every resident must be provided under physician supervision. 483.40(a) and (b)

CARE LEVELS				SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION	OBRA AND NEW REGULATIONS
NH	BCH	SNF	ICF				
X	X	X	X	PHYSICIAN SERVICES, cont'd.	Health care of patient or resident under the supervision of a physician. MN Rules 4655.4600 Subp. 1	Health care of each resident under continuous supervision of a physician. 442.346	
X	X	X	X		Physician examination at least every six months for nursing home resident, annually for boarding care home resident. MN Rules 4655.4700 Subp. 2	Physician visits every 30 days for the first 90 days; can alternate schedule every 60 days thereafter. 405.1123(b)	Physician visits every 30 days for the first 90 days and every 60 days thereafter. 483.440(c)
			X			Physician visit within 60 days of admission, then every 60 days; can alternate schedule to every six months. 442.346(b)	
		X	X			Requires written agreements. 405.1121(f)	Provided by qualified professional persons according to each resident's care plan, in timely manner. 483.75(j)
			X			Requires written agreements. 442.317	Same as above.
X	X	X	X	DIETARY SERVICES	If residents have therapeutic diets, must have qualified dietitian consultation at least four hrs/month. MN Rules 4655.8500 Subp. 1	Full time qualified dietetic service supervisor. If not a dietitian, but only a qualified food service supervisor, must have consultation from a dietitian on a regular basis. 405.1125(a)	A qualified dietitian either full time, part time or on a consulting basis. If not a full time dietitian, must have director of food service. 483.35(a)

NH	CARE LEVELS				SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION	OBRA AND NEW REGULATIONS
	BCH	SNF	ICF	NF				
X	X			X	DIETARY SERVICES, cont'd.	Palatable, adequate quantity and variety, nutritional, attractively served. Reasonable adjustment to individual food habits, customs, likes, appetites. MN Rules 4655.8630		Nourishing, palatable, well balanced diet that meets daily nutritional and special dietary needs of each resident. 483.35
X	X	X		X		At least 3 meals/24 hours. Maximum of 14 hours between substantial evening meal and breakfast. MN Rules 4655.8620	Not more than 14 hours between substantial evening meal and breakfast. Routinely offered bedtime nourishments. 405.1125(d)	Not more than 14 hours between substantial evening meal and breakfast. Offer snacks at bedtime. If snack is served and resident group agrees, there can be up to 16 hours between evening meal and breakfast. 483.35(f)
X						Dietary staff on duty 12 or more hours each day. MN Rules 4655.8520		
X	X		X			Requires a person trained or experienced in meal planning or preparation to be responsible for the dietary service (dietary supervisor). MN Rules 4655.8510	Requires a staff member trained or experienced in food management or prescribed special diets; menus must be planned by a professionally qualified dietitian or they could be reviewed and approved by the attending physician. 442.332	

NH	CARE LEVELS				SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION	OBRA AND NEW REGULATIONS
	BCH	SNF	ICF	NF				
X	X	X	X	X	MEDICAL RECORDS	Must maintain medical record for each resident. MN Rules 4655.4700	Must maintain confidential, organized written record system. If medical record supervisor is not an RRA or ART, must have regular consultation from one who is. 405.1132(a)(3) and 442.318	Professionally maintain resident clinical records: complete, accurate, accessible, organized, secure, confidential. Include care plan, services provided; after 10/1/89, results of preadmission screening. 483.75(n)
X		X		X	PHARMACEUTICAL SERVICES	Medications administered by hypodermic only by a physician, RN or LPN. MN Rules 4655.7700 Subp. 4	Must be under general supervision of a R.Ph., part-time or full-time. Must establish a pharmaceutical services committee or at least the R.Ph., DNS, Admin and one physician. 405.1127(a)(1) 405.1127(d)(2)	Facility must provide pharmaceutical services to meet needs of each resident. 483.60(b)
X				X		Review of medications quarterly by charge nurse and physician. MN Rules 4655.7710, Subp. 2		Must employ or obtain services of licensed pharmacist; pharmacist conducts independent monthly drug regimen review of each resident. 483.60(d) and (e)
X	X					Unlicensed staff administering meds must have completed a medication course offered through post-secondary educational instruction. MN Rules 4655.7860	Must have formal arrangements with a licensed pharmacist for general directions including medication reviews. 443.333	
				X				



NH	CARE LEVELS			SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION AND NEW REQUIREMENTS	
	BCH	SNF	ICF NF				
X		X	X	INFECTION CONTROL	Establish procedures for aseptic techniques. MN Rules 4655.5800 Subp. 2B	Must have an infection control committee. 405.1135(a)	The facility must establish and maintain an infection control program. 483.65
X	X	X	X	RESIDENT FUND ACCOUNTING	Written accounting system for personal funds maintained. Written quarterly accounting; individual written record. Personal funds in excess of \$150 deposited in financial institution. MN Rules 4655.4100 to 4655.4170	Quarterly accounting of financial transactions. 405.1121(k)(6)  Full and complete accounting; precludes commingling of resident and facility funds. 405.1121(m) and 442.311(e)	Facilities must accept resident funds if requested. Personal funds in excess of \$50 must be deposited into an interest-bearing account. Financial record upon request. 483.10(c)(3)
X	X	X	X	ACTIVITIES PROGRAM	Organized social and recreational activities program designed to meet normal needs of all residents for occupation, diversion and maintenance. Integrated into total plan of care; at least five days per week. Supervised by person trained or experienced in supervising such programs on basis of 2/3 hour per bed per week. MN Rules 4655.5200 Subp. 4	If activities coordinator is not qualified, must receive regular consultation from one who is. Qualified means either a therapeutic recreation specialist, an OTR or OTA, or has 2 years experience in a social or recreational program within last 5 years, 1 year of which was full-time in a patient activities program in a health care setting. 405.1131(a)	Facility must provide an ongoing program of activities designed to meet interests and physical, mental and psychosocial well-being of each resident. Directed by qualified professional who is a licensed/certified specialist or has 2 years experience in a social or recreational program within the last 5 years, 1 year of which was full-time in a patient activities program in a health care setting or is a qualified OT or OTA or has completed a state-approved training course. 483.15(f)
	X	X	X	UTILIZATION REVIEW		Until 10/1/90: Committee required. 405.1136(b)	After 10/1/90: Does not exist.

NH	CARE LEVELS				SERVICES	CURRENT LICENSURE	PREVIOUS CERTIFICATION	OBRA AND NEW REGULATIONS
	BCH	SNF	ICF	NF				
				X	QUALITY ASSESSMENT AND ASSURANCE			Facility must maintain a quality assessment and assurance committee including DNS, a physician, at least 3 other staff members. Committee meets at least quarterly. 483.15(r)
	X			X	SOCIAL SERVICES		Facility is not required to provide social services, but if not, must have a referral system. If facility offers social services, the designated person responsible for services must be a qualified social worker or must receive consultation from one on a regular basis. 405.1130(b)	<p>The facility must provide medically-related social services to attain or maintain the highest practicable physical, mental and psychosocial well-being of each resident. 483.15(g)(1)</p> <p>An NF with more than 120 beds must employ a qualified social worker on a full-time basis. Qualified means having a BSW or 2 years social work supervised experience in a health care setting working directly with individuals; or similar professional qualifications. 483.15(g)(2)</p>
				X			Provide as needed either itself or arrange for qualified outside resources. Designate a staff member qualified by training or experience to be responsible for arrangements, etc. 442.344(b)(C)	